

AMENDED IN SENATE MAY 1, 2007

SENATE BILL

No. 934

Introduced by Senator Lowenthal

February 23, 2007

An act to add Division 3 (commencing with Section 64100) to Title 6.7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 934, as amended, Lowenthal. Housing and infrastructure zones.

(1) The Community Services District Law identifies the procedures for district formation and specifies the services that a district may provide. Among those services are the acquisition, construction, improvement, maintenance, and operation of recreation facilities, including parks and open space, and community facilities, including libraries, and child care facilities; supplying water for any beneficial use; the collection, treatment, or disposal of sewage, wastewater, recycled water, stormwater, and solid waste; and the acquisition, construction, improvement, and maintenance of streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works.

The Community Redevelopment Law authorizes redevelopment agencies to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This method of financing is commonly known as "tax increment" financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.

Existing law requires a redevelopment agency to use at least 20% of its tax increment revenues to increase, improve, and preserve low- and moderate-income housing available at affordable cost to persons and families of low or moderate income and lower, very low, and extremely low income households, unless the agency makes certain findings. Under existing law, there are programs that provide assistance for, among other things, multifamily housing, emergency housing, farmworker housing, and homeownership for low- and very low income households, and that provide downpayment assistance for first-time homebuyers.

Existing law sets forth the duties of the California Economic Development and Infrastructure Development Bank generally in promoting economic development activities in the state.

This bill would establish a pilot project allowing for the formation, under criteria developed by specified councils of governments and the Secretary of Business, Transportation and Housing, of 100 housing and infrastructure zones in the state. A city or county would be eligible to apply to its council of governments or the agency, as applicable, in order to establish a housing and infrastructure zone, subject to approval by the bank, and specified reporting requirements. By requiring local governments to perform certain duties with respect to the selection and establishment of zones, the bill would impose a state-mandated local program.

The bill would authorize the bank to finance the purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of real or other tangible property, for various purposes, including interchanges, ramps and bridges, arterial streets, parking facilities, transit facilities, sewage treatment and water reclamation plants and interceptor pipes, facilities for the collection and treatment of water for urban uses, child care facilities, libraries, parks, recreational facilities, open space, facilities for the transfer and disposal of solid waste, including transfer stations and vehicles, and housing. The bank would be authorized to issue bonds and to receive allocations of revenues resulting from a type of tax increment financing for these purposes. By requiring local agencies to conduct funding allocation activities, the bill would impose a state-mandated local program.

The pilot project would end on a specified date, but the bank would receive tax increment revenues for a period of 20 years after the date the district was established, plus an additional 10 years solely for the repayment of debt incurred prior to that date.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Local governments face significant fiscal impediments to
4 financing the development and upgrading of essential
5 infrastructure, including streets, parking facilities, water and sewer
6 systems, and parks, to serve new high-density housing.

7 (b) The existing pattern of residential development will continue
8 to absorb valuable farmland and open space and be located in areas
9 that are not served by adequate transportation and other essential
10 utilities and services, unless incentives are provided to locate
11 high-density residential development in a manner that is consistent
12 with protecting the state's most valuable natural resources and
13 encouraging efficient development patterns.

14 (c) It is therefore the intent of the Legislature in enacting this
15 act to support and contribute to the financing of this infrastructure
16 and to accomplish all of the following:

17 (1) Encourage the location of high-density housing so as to use
18 available land more efficiently by complementing and enhancing
19 regional transportation, air quality, and other regional investments,
20 priorities, and strategies.

21 (2) Preserve farmland by encouraging high-density housing
22 sited in accordance with regional growth plans.

23 (3) Provide incentives to ensure that development occurs where
24 it makes most sense through a partnership between the state, the
25 local agency, and the private developer.

(4) Establish a voluntary pilot project to determine whether providing resources to local governments for infrastructure and services needed for the concentrated development of high-density housing will lead to a higher level of housing constructed in locations that match regionally determined growth principles.

(5) Recognize and protect the principle of local control of local land use authority of individual cities and counties, while providing additional resources to jurisdictions that are willing to approve the development of high-density housing in locations where a more intensified level of development will yield broader regional benefits.

(6) Include reasonable accountability measures that will inform the state of the progress of the pilot project, including how and where the new financing mechanism adopted pursuant to this act is used.

(7) Complement the state's investment in transit and other infrastructure approved by the voters as Propositions 1B and 1C at the November 6, 2006, statewide general election, while also providing a longer term financing plan that promotes the development of higher density development patterns and preserves important open space and farmland resources.

SEC. 2. Division 3 (commencing with Section 64100) is added to Title 6.7 of the Government Code, to read:

DIVISION 3. HOUSING AND INFRASTRUCTURE FINANCING ACT OF 2007

CHAPTER 1. GENERAL PROVISIONS

64100. For the purposes of this division, the following terms shall have the following meanings:

(a) "Council of governments" means the Association of Bay Area Governments, the Southern California Association of Governments, the San Diego Association of Governments, or the Sacramento Area Council of Governments.

(b) "Bank" means the California Infrastructure and Economic Development Bank created pursuant to Section 63021.

(c) "County," with respect to geographical area, means the unincorporated area of the county only.

1 (d) “Housing and infrastructure zone” means an area within a
2 city or the unincorporated area of a county in which housing or
3 infrastructure is financed by the bank pursuant to a housing and
4 infrastructure plan adopted pursuant to Section 64120 and approved
5 pursuant to Section 64115.

6 (e) “Low-income families” has the same meaning as that set
7 forth for “lower income households” in Section 50079.5 of the
8 Health and Safety Code.

9 (f) “Moderate-income families” has the same meaning as that
10 set forth for “persons and families of low or moderate income” in
11 Section 50093 of the Health and Safety Code.

12 (g) “School entities” has the same meaning as that set forth in
13 subdivision (f) of Section 95 of the Revenue and Taxation Code.

14 (h) “Secretary” means the Secretary of Business, Transportation
15 and Housing.

16 (i) “Very low income families” has the same meaning as that
17 set forth for “very low income households” in Section 50105 of
18 the Health and Safety Code.

19 64101. (a) This division shall be known and may be cited as
20 the Housing and Infrastructure Financing Act of 2007.

21 (b) There is hereby established a pilot project allowing for no
22 more than 100 housing and infrastructure zones throughout the
23 state for the purpose of financing the construction of housing and
24 infrastructure within areas that have been planned to accept
25 high-density housing so as to preserve environmentally sensitive
26 open space, habitat, and farmland areas.

27 (c) It is the priority of the state in implementing this pilot project
28 to promote high-density housing development close to jobs and
29 transit and reduce vehicle miles traveled by promoting
30 pedestrian-oriented connections between residential and
31 commercial components of the district, in conjunction with the
32 implementation of voter-approved issuance of bonds to invest in
33 transit, housing, and other infrastructure.

34 64102. (a) This division shall become inoperative 20 years
35 after the date the last zone is authorized pursuant to Chapter 6
36 (commencing with Section 64150).

37 (b) Notwithstanding subdivision (a), the bank shall receive an
38 allocation of taxes pursuant to Section 64135 for the benefit of
39 each housing and infrastructure zone for a period of 20 years after
40 the first fiscal year in which the bank authorized the allocation of

1 taxes pursuant to Section 64115, plus an additional period of 10
2 years solely for the repayment of debt incurred prior to that date.

3
4 CHAPTER 2. HOUSING AND INFRASTRUCTURE ZONES
5

6 64110. (a) Each council of governments may propose housing
7 and infrastructure zones within the region it represents, in response
8 to an application received pursuant to Section 64114 as follows:

9 (1) The Southern California Association of Governments may
10 propose up to 25 housing and infrastructure zones.

11 (2) The Association of Bay Area Governments may propose up
12 to 20 housing and infrastructure zones.

13 (3) The San Diego Association of Governments and the
14 Sacramento Area Council of Governments may each propose up
15 to 15 housing and infrastructure financing zones.

16 (b) The secretary may propose up to 25 housing and
17 infrastructure zones within those areas of the state that are not
18 included within the jurisdiction of a council of governments.

19 64112. (a) On or before September 1, 2008, each council of
20 governments and the secretary shall develop criteria for the
21 establishment and location of housing and infrastructure zones
22 within its region. The criteria shall be consistent with the state
23 planning priorities established by Section 65041.1. Criteria may
24 be developed, or be based upon, a collaborative regional growth
25 vision, blueprint, or other similar regional planning effort that
26 identifies areas and locations where additional job growth,
27 high-density housing, or other development is preferred to be
28 concentrated to complement and enhance regional transportation,
29 air quality, and other regional priorities and strategies, including,
30 but not limited to, reducing vehicle miles traveled and improving
31 the regional jobs-housing balance. A council of governments and
32 the secretary may elect to use previously adopted criteria that meet
33 the requirements of this subdivision.

34 (b) A housing and infrastructure zone shall not be located within
35 a redevelopment project area established pursuant to the
36 Community Redevelopment Law (Part 1 (commencing with
37 Section 33000) or the Community Redevelopment Disaster Project
38 Law (Part 1.5 (commencing with Section 34000) of Division 24
39 of the Health and Safety Code), *nor shall any area in the proposed*
40 *zone have been a redevelopment project area in the last five years.*

1 (c) Each council of governments and the secretary shall develop
2 a process that includes the development of draft criteria and the
3 opportunity for cities and counties within the region and the public
4 to review and offer comments, before adopting the final criteria.

5 (d) Each council of governments and the secretary shall present
6 the criteria developed pursuant to subdivision (a) to the bank and
7 shall consider the comments of the bank before adopting the final
8 regional criteria if those comments are received within 120 days
9 of the date the criteria were submitted to the bank. The final
10 regional criteria shall be adopted no later than March 1, 2009.

11 64114. (a) On or before January 1, 2010, and on or before
12 January 1 of each even-numbered year thereafter, a city or a county
13 may file an application requesting that the council of governments
14 for the region in which it is located, or the secretary, as applicable,
15 to establish one or more housing and infrastructure zones within
16 its jurisdictional boundaries.

17 (b) The application shall demonstrate how the location of the
18 zone conforms to the criteria established pursuant to Section 64112,
19 and shall include the draft housing and infrastructure plan described
20 in Section 64120.

21 64115. (a) (1) A council of governments and the secretary,
22 as applicable, shall evaluate each application submitted by a city
23 or county within its boundaries pursuant to Section 64114,
24 determine whether the location of the proposed zone is consistent
25 with the adopted criteria and the benefits that the region will
26 achieve from implementation of the housing and infrastructure
27 plan. The council of governments and the secretary, as applicable,
28 shall rank those applications that conform to the selection criteria.
29 Draft rankings shall be presented at one or more public hearings
30 and shall be modified as appropriate following the public review
31 and comment.

32 (2) On or before July 1, 2010, and on or before July 1 in each
33 even-numbered year thereafter, after the conclusion of the period
34 of public review and comment, the council of governments and
35 the secretary, as applicable, shall announce its proposed rankings.
36 An applicant city or county may appeal the proposed rankings to
37 the governing body of the council of governments or the secretary,
38 as applicable, if a ranking fails to conform to the selection criteria.

39 (3) On or before September 1, 2010, and on or before September
40 1 in each even-numbered year thereafter, after consideration of

1 any information presented during the appeals process, the council
2 of governments and the secretary, as applicable, shall adopt its
3 final rankings and submit its recommendation of the location of
4 housing and infrastructure zones within its region to the bank.

5 (b) The bank shall evaluate the applications for the housing and
6 infrastructure zones that it receives from the councils of
7 government and the secretary to determine whether they are
8 consistent with the state planning priorities established by Section
9 65041.1. The bank may evaluate the applications for consistency
10 with other criteria that the bank has adopted pursuant to the
11 Bergeson-Peace Infrastructure and Economic Development Bank
12 Act (Title 6.7 (commencing with Section 63000)). Based on the
13 economic analysis in the housing and infrastructure plans prepared
14 pursuant to Section 64120, the bank shall determine the amount
15 of taxes proposed to be allocated pursuant to Section 64135 to the
16 benefit of each housing and infrastructure zone for the first 20
17 years of each zone's existence. The bank shall then rank the
18 applications and give a priority to those zones that propose to
19 achieve or exceed average residential densities of at least 40
20 dwelling units per acre. The bank shall not include an application
21 in its rankings if the zone's proposed average residential density
22 is less than 25 dwelling units per acre. In evaluating these
23 applications, the bank may solicit advice from and the assistance
24 of other state agencies, including, but not limited to, the
25 departments within the Business, Transportation and Housing
26 Agency, the departments within the Resources Agency, the
27 Department of Finance, and the Governor's Office of Planning
28 and Research.

29 (c) On or before December 1, 2010, and on or before December
30 1 in each even-numbered year thereafter, the bank shall announce
31 its proposed rankings, including the amount of taxes proposed to
32 be allocated pursuant to Section 64135 to the benefit of each
33 housing and infrastructure zone for the first 20 years of the zone's
34 existence. The bank shall notify the councils of government, the
35 secretary, and the cities and counties that submitted the
36 applications. After announcing its proposed rankings, the bank
37 shall provide opportunities for public review and comment.

38 (d) On or before February 1, 2011, and on or before February
39 1 in each odd-numbered year thereafter, the bank shall consider
40 any comments regarding its proposed rankings of the applications

1 for housing and infrastructure zones, and then adopt its final
2 rankings.

3 (e) On or before March 1, 2011, and on or before March 1 in
4 each odd-numbered year thereafter, the bank may approve one or
5 more applications for housing and infrastructure zones and
6 authorize the allocation of taxes pursuant to Section 64135 for the
7 benefit of those housing and infrastructure zones.

8 (f) The total amount of taxes that would be allocated from school
9 entities pursuant to Section 64135 to the benefit of all of the
10 housing and infrastructure zones approved by the bank pursuant
11 to this section for the first 20 years of the zones' existence shall
12 not exceed five hundred million dollars (\$500,000,000).

13
14 CHAPTER 3. HOUSING AND INFRASTRUCTURE PLAN
15

16 64120. (a) An application submitted pursuant to Section 64112
17 shall include a draft housing and infrastructure plan prepared by
18 the city or county submitting the application.

19 (b) The plan shall include text and a diagram or diagrams that
20 specify all of the following in detail:

21 (1) The distribution, location, and extent of residential uses, and
22 commercial or mixed uses, if any, within the zone. The plan shall
23 provide for the construction of at least 500 new dwelling units.
24 Commercial, retail, office space, and other uses compatible with
25 residential development may be included to serve the residents of
26 the zone and the surrounding community.

27 (2) The proposed densities of residential development in the
28 zone in terms of dwelling units per acre. The plan shall provide
29 for average residential densities of at least 25 dwelling units per
30 acre.

31 (3) The proposed distribution, location, and extent and intensity
32 of major components of public and private transportation, sewage,
33 water, drainage, solid waste disposal, energy, parks, and other
34 essential facilities proposed to be located within the zone covered
35 by the plan and needed to support the housing described in
36 paragraph (1). Infrastructure shall primarily support the residential
37 development financed by the district.

38 (4) A program of implementation measures, including, but not
39 limited to, regulations, programs, public works projects, residential

1 development projects, and financing measures necessary to carry
2 out paragraphs (1) to (3), inclusive.

3 (5) A program to ensure that 20 percent of the housing within
4 the zone financed by the district is affordable for low- and
5 moderate-income families with not less than 5 percent affordable
6 to very low income, 10 percent affordable to low-income, and 5
7 percent affordable to moderate-income families. Housing made
8 affordable pursuant to this program shall remain available at
9 affordable housing cost to, and occupied by, persons and families
10 of very low, low, and moderate income for a period of time
11 consistent with subdivision (f) of Section 33334.3 of the Health
12 and Safety Code.

13 (6) A program of services and other measures required by the
14 residential, commercial, or mixed uses included within the zone.
15 These services and other measures may also benefit existing
16 residents and areas of the community affected by the development
17 and may include improvements and services for streets, parks,
18 libraries, environmental mitigation, schools, and other measures.

19 (c) The plan shall include a draft economic analysis that
20 calculates the annual difference between revenues estimated to be
21 generated from development within the zone and the amount of
22 revenue estimated to be necessary to service debt for capital costs
23 or to provide facilities and services, including the affordable
24 housing required pursuant to paragraph (5) of subdivision (b),
25 within the zone.

26 (d) The plan shall ensure that whenever dwelling units within
27 the area of the plan housing persons and families of very low, low,
28 or moderate income are destroyed or removed from the very low,
29 low-, or moderate-income housing market, the city or county shall
30 rehabilitate, develop, or construct, or cause to be rehabilitated,
31 developed, or constructed, for rental or sale to persons and families
32 of very low, low, or moderate income, an equal number of
33 replacement dwelling units consistent with the requirements of
34 subdivisions (a) and (c) of Section 33413 of the Health and Safety
35 Code.

36 64123. Within 30 days after the date of approval of a housing
37 and infrastructure zone by the bank pursuant to Section 64115, the
38 city or county shall initiate preparation of any document required
39 by the California Environmental Quality Act (Division 13
40 (commencing with Section 21000) of the Public Resources Code)

1 to adopt the housing and infrastructure plan prepared pursuant to
2 Section 64120.

3 64124. (a) A city or county shall prepare, adopt, and amend
4 a housing and infrastructure plan in the same manner as a general
5 plan.

6 (b) Not more than 90 days after certifying the environmental
7 document completed under Section 64123, the city or county shall
8 do both of the following:

9 (1) Adopt the housing and infrastructure plan for the housing
10 and infrastructure zone.

11 (2) Amend its general plan, any specific plan, its zoning
12 ordinances, and any other applicable regulations to be consistent
13 with the housing and infrastructure plan.

14 (c) After the adoption or amendment of the housing and
15 infrastructure plan, the city or county shall send a copy of the plan
16 and the environmental document completed pursuant to Section
17 64123 to the bank and the council of governments or the secretary,
18 as applicable.

19 (d) The adopted or amended housing and infrastructure plan
20 shall be deemed to be substantially equivalent to the proposed
21 housing and infrastructure plan reviewed by the bank pursuant to
22 Section 64115, unless the bank finds to the contrary within 30 days
23 after receiving the adopted or amended housing and infrastructure
24 plan. If the adopted or amended housing and infrastructure plan
25 is deemed substantially equivalent to the proposed housing and
26 infrastructure plan reviewed by the bank under Section 64115, or
27 if the bank takes action determining that the plan is substantially
28 equivalent, the county auditor shall be directed to implement the
29 provisions of Section 64135 for the fiscal year immediately
30 succeeding the fiscal year in which the city or county approves
31 the first tentative map or other discretionary approval that approves
32 residential development within the zone.

33 (e) If the bank makes a finding that the adopted or amended
34 plan is not substantially equivalent to the draft housing and
35 infrastructure plan submitted to the bank pursuant to Section 64115,
36 then the applicant city or county shall have 90 days to amend the
37 housing and infrastructure plan. The amended plan shall be
38 submitted to the bank. If the bank finds, within 30 days after
39 receiving the amended plan, that the amended plan; is still not

1 substantially equivalent to the proposed housing and infrastructure
2 plan, the zone shall be deemed disapproved.

3
4 CHAPTER 4. FINANCING OF HOUSING AND PUBLIC FACILITIES
5

6 64130. (a) The revenues available to the bank pursuant to
7 Section 64135 may be used directly for any of the lawful purposes
8 of the housing and infrastructure zone, may be accumulated for a
9 period not to exceed five years to provide a fund for that work, or
10 may be pledged to pay the principal of, and interest on, bonds
11 issued pursuant to Section 64140.

12 (b) The city or county shall deposit into a separate account for
13 each housing and infrastructure zone not less than 20 percent of
14 all taxes that are allocated to the bank pursuant to Section 64135.
15 The funds in the account shall be used for the purposes of
16 increasing, improving, and preserving the community's supply of
17 housing available at affordable housing cost to, and occupied by,
18 persons and families of very low, low, or moderate income. Any
19 interest earned by the account and any repayments or other income
20 to the bank or the community for loans, advances, or grants of any
21 kind from the account shall accrue to and be deposited in the
22 account. Funds in the account may be used for any purpose
23 described in subdivision (e) of Section 33334.2 of the Health and
24 Safety Code and shall be used in a manner consistent with Sections
25 33334.3 and 33334.4 of the Health and Safety Code, except that
26 no more than 10 percent of the annual deposit of taxes to the
27 account may be used for planning and general administrative
28 activities.

29 64131. (a) Within a housing and infrastructure zone, the bank
30 may finance the purchase, construction, expansion, improvement,
31 seismic retrofit, or rehabilitation of any real or other tangible
32 property with an estimated useful life of 15 years or longer that
33 satisfies the requirements of subdivision (b), and may finance
34 planning and design work that is directly related to the purchase,
35 construction, expansion, or rehabilitation of that property.

36 (b) Within a housing and infrastructure zone, the bank may
37 finance housing and public facilities, including, but not limited to,
38 all of the following:

39 (1) Interchanges, ramps and bridges, arterial streets, parking
40 facilities, and transit facilities.

1 (2) Sewage treatment and water reclamation plants and
2 interceptor pipes.

3 (3) Facilities for the collection and treatment of water for urban
4 uses.

5 (4) Child care facilities.

6 (5) Libraries.

7 (6) Parks, recreational facilities, and open space.

8 (7) Facilities for the transfer and disposal of solid waste,
9 including transfer stations and vehicles.

10 (8) Housing.

11 64135. A housing and infrastructure plan adopted pursuant to
12 Section 64124 may contain a provision that taxes, if any, levied
13 upon taxable property in the area included within the plan each
14 year by or for the benefit of school entities or the city or
15 unincorporated area of the county in which the housing and
16 infrastructure zone is located after the effective date of the
17 resolution or ordinance approving the plan in an amount not to
18 exceed the amount specified in the plan shall be divided as follows:

19 (a) (1) That portion of the taxes that would be produced by the
20 rate upon which the tax is levied each year by or for each of the
21 school entities and the local government upon the total sum of the
22 assessed value of the taxable property in the housing and
23 infrastructure zone as shown upon the assessment roll used in
24 connection with the taxation of that property by the school entities
25 and the local government, last equalized before the effective date
26 of the ordinance or resolution, shall be allocated to and when
27 collected shall be paid to the respective school entities and the
28 local government as taxes by or for the school entities and the local
29 government on all other property are paid.

30 (2) For the purpose of allocating taxes levied by or for any
31 school entity that did not include the territory in a zone on the
32 effective date of the ordinance or resolution, but to which that
33 territory has been annexed or otherwise included after that effective
34 date, the assessment roll of the county last equalized on the
35 effective date of the ordinance or resolution shall be used in
36 determining the assessed valuation of the taxable property in the
37 project on the effective date.

38 (b) That portion of the levied taxes each year in excess of the
39 amount identified in subdivision (a); shall be allocated to and when
40 collected shall be paid into a special fund of the bank to pay the

principal of, and interest on, loans, moneys advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by the bank or other payments authorized by Section 64130 to finance or refinance, in whole or in part, the plan adopted pursuant to Section 64124. Unless and until the total assessed valuation of the taxable property in a housing and infrastructure zone exceeds the total assessed value of the taxable property in that zone as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the zone shall be paid to the respective school entities. When the loans, payments, advances, and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the zone shall be paid to the respective school entities as taxes on all other property are paid.

(c) That portion of the taxes in excess of the amount identified in subdivision (a) that is attributable to a tax rate levied by a school entity for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that school entity.

CHAPTER 5. BONDS

64140. The bank may issue bonds for the purposes of this division pursuant to the procedures established under Chapter 5 (commencing with Section 63070) of Division 1.

CHAPTER 6. REPORTS AND OVERSIGHT

64150. On or before December 31, 2011, and annually thereafter, each city and county in which a housing and infrastructure zone exists shall provide a report to the bank that includes all of the following information for the preceding fiscal year:

(a) The amount of money that the county auditor allocated pursuant to Section 64135.

(b) The purposes for which that money was used.

1 (c) The number of residential building permits issued by the
2 city or county within the zone.

3 (d) The value of all building permits issued by the city or county
4 within the zone.

5 64151. On or before March 1, 2012, and on or before March
6 31 annually thereafter, the bank shall provide a report to the Joint
7 Legislative Budget Committee and the relevant housing policy
8 committees of each house of the Legislature that includes all of
9 the following for the preceding fiscal year:

10 (a) The information for each housing and infrastructure zone
11 reported to the bank pursuant to Section 64150.

12 (b) The total amount of money that county auditors allocated
13 pursuant to Section 64135.

14 (c) An evaluation of the extent to which the implementation of
15 the housing and infrastructure plans has achieved the purposes and
16 intent of this division. In preparing this evaluation, the bank may
17 solicit advice from and the assistance of other state agencies,
18 including, but not limited to, the departments within the Business,
19 Transportation and Housing Agency, the departments within the
20 Resources Agency, the Department of Finance, and the Governor's
21 Office of Planning and Research.

22 SEC. 3. (a) No reimbursement is required by this act pursuant
23 to Section 6 of Article XIII B of the California Constitution because
24 a local agency or school district has the authority to levy service
25 charges, fees, or assessments sufficient to pay for the program or
26 level of service mandated by this act, within the meaning of Section
27 17556 of the Government Code.

28 (b) However, if the Commission on State Mandates determines
29 that this act contains other costs mandated by the state,
30 reimbursement to local agencies and school districts for those costs
31 shall be made pursuant to Part 7 (commencing with Section 17500)
32 of Division 4 of Title 2 of the Government Code.